

July 6, 2006

Secretary A.G. Kawamura  
California Department of Food and Agriculture  
1220 N. Street  
Sacramento, CA 95814

Re: 2007 Farm Bill

Dear Secretary Kawamura:

Thank you for allowing the Grower-Shipper Association of Central California (GSA) the opportunity to participate in these proceedings. As you know, GSA represents some 300 growers, shippers, packers, processors and other businesses affiliated with, or connected to, the agriculture industry in the California counties of Monterey, Santa Cruz and San Benito.

I would like to focus my remarks concerning the 2007 Farm Bill to specialty crops. As you are aware, this region is a leader in the production of specialty crops and our members strongly believe that specialty crops should be given their proper due within the 2007 Farm Bill.

## OVERVIEW

- **Overall, specialty crops account for fifty percent of domestic farmgate crop value, but receive very relatively little consideration in current farm bill programs. The farm bill should look more like U.S. agriculture.**

USDA Secretary Mike Johanns, in comments at the Agricultural Forum in February (2006), said:

*"The value of specialty crops is now equal to the value of program crops. And they've continued to grow over the last couple of decades."*

Federal agricultural policies should take into account the high value that specialty crops have in U.S. agriculture.

Moreover, Congress can provide leadership to develop a farm bill that affords a greater sense of balance between specialty crops and traditional program crops.

Secretary Johanns also said at the Ag Forum:

*“The largest 3 percent of farms receive 30 percent of the support program; 92 percent of commodity program payments go to five crops. When combined they represent a quarter of U.S. production value.”*

- **The specialty crop industry is united in its advocacy of federal policies that enhance specialty crop production and, thereby, address overall agricultural competitiveness.**

At a time when our nation has an agricultural trade deficit, the growth of specialty crops can offer relief. Specialty crop producers are united like never before to advocate programs in a variety of areas – such as research, conservation and marketing assistance – that can improve our competitiveness in a global marketplace.

- **Farm Bill programs can help consumers reach USDA’s new dietary guidance and foster a healthier America.**

Specialty crops play an increasingly important role in the federal government’s dietary guidelines for Americans – in the case of fruits and vegetables calling for a doubling of daily consumption. Yet, the great majority of consumers don’t meet those goals. Farm bill programs, in areas such as marketing or nutrition, can help address this consumption gap while at the same time fighting obesity, diabetes, heart disease and other national health priorities.

- **None of our recommendations contain direct payments, such as price supports. Specialty crop producers do not want them – they distort the market, can have trade implications and foster inefficiency.**

Instead, we ask Congress to thoughtfully consider our recommendations for making the specialty crop industry more competitive and our products more accessible for consumers here and around the world.

## **SPECIALTY CROPS ARE A SIGNIFICANT PART OF U.S. AGRICULTURE**

Policies mandating that certain crops being excluded from farm bill considerations due to higher production costs should be re-examined for the following reasons:

- Why address only 70 percent of the nation’s crops? Or less?  
Specialty crops are expanding. Fruit, vegetable and tree nut production, combined with nursery and greenhouse production account for half of U.S. farmgate value.
- Consumers – not just farmers – benefit by federal investment in specialty crops.  
By expanding access and availability of safe, wholesome, healthy and affordable fruits and vegetables, the Farm Bill will be a critical component in reaching the mandate of doubling fruit

and vegetable consumption called for in the United States. This means it **is important in every Congressional district**, not just those in which producers operate.

- Consumers both here and in export markets demand high-quality food products as disposable incomes rise. Specialty crop exports **improve our agricultural balance of trade**.

## **SPECIALTY CROP PRODUCERS ARE NOT LOOKING FOR DIRECT PROGRAM PAYMENTS**

- Long-term solutions, with a focus on research, are necessary to ensure competitiveness and sustainability of U.S. specialty crop production.

### International Trade

- With increased government regulation comes the responsibility to help producers achieve cost-effective compliance. Producers in other countries enjoy much lower regulatory costs and lower labor costs. This translates into a need for **fewer international trade barriers** for U.S. specialty crop exports.

### Restrictions on Planting Flexibility

- As a matter of fair competition, those **producers receiving domestic support should not be permitted to plant the same crops** as producers who do not receive payments.

### Promoting the Health Benefits of Specialty Crops

- Consumer awareness of the **health value** of many specialty crops should be a priority. The Federal Government should support the school fruit and vegetable snack program as well as DOD, USDA, and other programs that aim to increase awareness and consumption of fruits and vegetables.

### Prevention of Pests and Diseases

- Funding should go to research into **prevention of pests and diseases**, and provide for surveillance and inspection of domestic plant shipments between states, which is more cost-effective than mitigation.

### Conservation

- Help producers help the planet. Through the Environmental Quality Incentive Program (EQIP), **producers are better able to participate in conservation programs**. Specialty crop producers should receive a mandatory allotment of 25 percent of total funding in order for their efforts to be cost effective and genuinely make a difference. Protecting the environment and productivity today will mean less cost for producing products in the future and will help to ensure sustainability in the years ahead. Technical assistance is also needed.

### Disaster Assistance Availability and Fair Amount

- Disaster assistance programs need to be made available to specialty crop producers **and address the higher cost of producing specialty crops**. Due to higher input and labor

costs, possible loss per acre experienced by specialty crop producers as a result of a disaster is generally significantly greater than for program crops.

#### Give States the Power to Succeed

- The 2007 Farm Bill should expand the State Block Grants for Specialty Crops program authorized by the Specialty Crop Competitiveness Act of 2004. **Every state's specialty crop needs are different** and state departments of agriculture are in the best position to be placed in the driver's seat.

#### Research and Development

- Specialty crop producers face higher production input costs, transportation challenges, and strict regulations than those of program crops. They require niche marketing programs, and they have limited access to crop protection tools. Federal research dollars will help with the production, harvesting, marketing and distribution of high quality goods, and in turn will **help bring domestically produced fruits, vegetables and other specialty crops to the tables of more American families.**

Again, thank you for allowing me the opportunity to speak here today on this important issue. I look forward to working with you on the 2007 Farm Bill and any other matter I may be of assistance to you.

Sincerely,

James W. Bogart  
President & General Counsel

JWB:tr